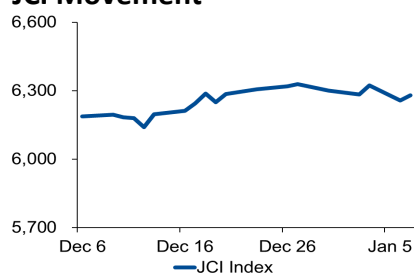


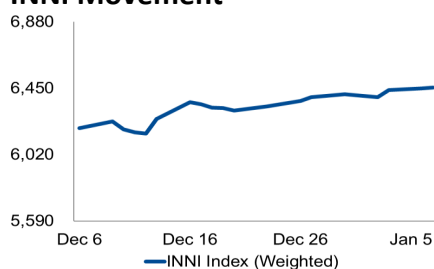
Morning Brief

Daily | January 09 2020

JCI Movement



INNI Movement



Market Recap

JCI closed lower after investors' hope for diplomatic peace between the US and Iran faded away. **JCI's Top Losers: Basic Ind. (-2.1%), Agriculture (-1.5%), Property (-1.0%).**

INNI index strengthened as miners stocks rallied, i.e., TINS and ANTM.

Daily Foreign & Domestic Sector Movement

The US and Iran conflict heated after Iran stroke US troops in Iraq. Iran's missile attack sent the Asia market to tumble, including JCI to close Wednesday's trading of Jan'08 with foreign outflows of IDR300 million. However, Iranian tit-for-tat attack gave lustrous momentum for CPO, oil, and gold as oil stocks rallied, i.e., MEDC (+1.67%). Investors also binged on gold as safe haven as its prices outshone, leading momentum for gold miners' stocks, i.e., ANTM (3.43%).

Meanwhile, the rupiah exchange rate for USD was depreciated at 0.16% to 13,900.

Today's Outlook: Indonesia's Forex Reserves Rise

The Dow Jones was rebound 0.56% to 28,745 as investors were optimistic after Trump backing away from conflict with Iran and giving only economic sanctions against Iranian missile attack. In the domestic backdrop, Indonesia's forex reserves in December 2019 to reach USD129.2 billion due to hikes in oil and gas forex income, withdrawal of the government's foreign debts, and foreign currency income.

Company News

INCO : Wins Proper Hijau Award
 BBKA : BCA Syariah's Assets Rise by 22%
 WIKA : Allocates CapEx of IDR11.5 Trillion

Domestic & Global News

BI: Dec's 2019 Forex Reserves Rise by USD3 Billion
 World Bank Trims 2020 Growth Forecast

Indonesia Economic Data

Monthly Indicator	Last	Prev.	Quarterly Indicator	Last	Prev.
BI 7 Day Rev Repo Rate	5.00%	5.00%	Real GDP	5.02%	5.02%
FX Reserve (USD bn)	129.18	126.63	Current Acc (USD bn)	(7.67)	(7.67)
Trd Balance (USD bn)	(1.33)	0.16	Govt. Spending Yoy	0.98%	0.98%
Exports Yoy	-5.67%	-6.13%	FDI (USD bn)	5.70	5.70
Imports Yoy	-9.24%	-16.39%	Business Confidence	105.33	105.33
Inflation Yoy	2.72%	3.00%	Cons. Confidence*	126.40	124.20

JCI Index

Jan. 08	6,225.68
Chg.	-53.66pts (-0.85%)
Volume (bn shares)	78.59
Value (IDR tn)	6.64
Adv 173 Dec 221 Unc 282 Untr 129	

INNI Index

Last	6,455.75
Chg.	+2.20pts (+0.03%)

INNI Top Gainers & Losers

Gainers	%	Losers	%
TINS	5.9%	KINO	-4.8%
ANTM	3.4%	WSKT	-4.3%
GGRM	2.5%	KLBF	-3.1%
UNTR	1.4%	SMGR	-2.4%
ICBP	0.4%	MAPI	-1.9%

Foreign Transaction

	(IDR bn)
Buy	1,836
Sell	1,837
Net Buy (Sell)	0.3

Top Buy	NB Val.	Top Sell	NS Val.
BBRI	374.4	BBCA	189.5
ASII	32.8	BMRI	141.8
SMGR	30.6	TLKM	56.2
BBNI	26.1	SCMA	24.2
GGRM	20.9	AKRA	19.2

Government Bond Yield & FX

	Last	Chg.
Tenor: 10 year	7.08%	0.02%
USDIDR	13,900	0.16%
KRWIDR	11.89	-0.21%

Global Indexes

Index	Last	Chg.	%
Dow Jones	28,745.09	161.41	0.56%
S&P 500	3,253.05	15.87	0.49%
FTSE 100	7,574.93	1.08	0.01%
DAX	13,320.18	93.35	0.71%
Nikkei	23,204.76	(370.96)	-1.57%
Hang Seng	28,087.92	(234.14)	-0.83%
Shanghai	3,066.89	(37.91)	-1.22%
KOSPI	2,151.31	(24.23)	-1.11%
EIDO	25.67	0.20	0.79%

Commodities

Commodity	Last	Chg.	%
Gold (USD / troy oz.)	1,556.4	(18.0)	-1.14%
Crude Oil (USD / bbl)	59.61	(3.09)	-4.93%
Coal Newcas(USD/ton)	69.40	(0.25)	-0.36%
Nickel LME (USD / MT)	14,050	115.0	0.83%
Tin LME (USD / MT)	17,140	135.0	0.79%
CPO (MYR/Ton)	3,041	(1.0)	-0.03%

INCO : Wins Proper Hijau Award

PT Vale Indonesia Tbk (INCO) obtained Proper Hijau award from the Ministry of Environment and Forestry (KLHK). The award was given by KLHK's Minister Siti Nurbaya Bakar. The award was given to INCO because of its commitment to the sustainable environment by means of eco-friendly integration of mining sites and nickel processing. (Bisnis Indonesia)

BBCA : BCA Syariah's Assets Rise by 22%

BCA Syariah, the subsidiary of PT Bank Central Asia Tbk (BBCA), posted a 22.2% YoY hikes in its assets to IDR8.6 trillion. The hikes were contributed by a 15.2% growth by the financing segment and a 12.6% gain by the funding segment as well as ass aggressive financing contributed by productive segments such as power plants. (Bisnis Indonesia)

WIKA : Allocates CapEx of IDR11.5 Trillion

PT Wijaya Karya Tbk (WIKA) allocates IDR11.5 trillion worth of 2020's CapEx to inject capital to its business entities and business expansion. It also plans to develop infrastructure projects such as Jakarta LRT and overseas projects. Thus, it is optimistic about IDR5.1 trillion worth of new overseas contracts. (Investor Daily)

Domestic & Global News

BI: Dec's 2019 Forex Reserves Rise by USD3 Billion

Bank Indonesia (BI) recorded Indonesia's foreign exchange reserves at the end of December 2019 amounting to USD129.2 billion. BI Communications Department Executive Director Onny Widjanarko said the amount increased ~ USD3 billion higher than that of USD126.6 billion in November. Dec's amount was equal to a 7.6-month import or a 7.3-month import and payments of government foreign debts. (Tempo)

World Bank Trims 2020 Growth Forecast

The World Bank on Wednesday trimmed its global growth forecasts slightly for 2019 and 2020 due to a slower-than-expected recovery in trade and investment despite cooler trade tensions between the United States and China. In its latest Global Economic Prospects report, the World Bank shaved 0.2 percentage point off of growth for both years, with the 2019 global economic growth forecast at 2.4% and 2020 at 2.5%. (Reuters)

	Last Price	End of Last Year Price	Target Price*	Rating	Upside Potential (%)	1 Year Change (%)	Market Cap (IDR tn)	Price / EPS (TTM)	Price / BVPS	Return on Equity (%)	Dividend Yield TTM (%)	Sales Growth Yoy (%)	EPS Growth Yoy (%)	Adjusted Beta
Finance						12.0	2,525.5							
BBCA	33,400	33,425	32,000	Hold	(4.2)	27.1	823.5	29.1x	4.9x	18.1	1.1	15.0	13.0	1.0
BBRI	4,380	4,400	4,950	Hold	13.0	17.7	540.3	15.9x	2.7x	18.2	3.0	10.8	5.6	1.4
Consumer						(18.4)	1,195.5							
GGRM	57,400	53,000	61,800	Hold	7.7	(29.0)	110.4	11.9x	2.3x	20.5	4.5	16.9	25.8	1.0
KINO	3,200	3,430	4,680	Buy	46.3	19.4	4.6	9.3x	1.8x	21.2	1.6	34.1	323.0	0.7
ICBP	11,550	11,150	12,875	Hold	11.5	12.7	134.7	27.0x	5.6x	22.2	1.2	11.2	11.4	0.7
KLBF	1,585	1,620	1,780	Hold	12.3	2.9	74.3	28.9x	4.8x	17.6	1.6	7.3	6.2	1.3
Infrastructure						2.2	781.69							
TLKM	3,900	3,970	4,700	Buy	20.5	6.0	386.3	19.1x	3.9x	21.3	4.2	3.5	15.6	0.9
JSMR	5,075	5,175	6,000	Buy	18.2	2.9	36.8	19.0x	2.0x	11.3	0.9	(22.8)	(15.2)	1.1
Trade						(5.7)	679.8							
UNTR	21,550	21,525	26,300	Buy	22.0	(23.3)	80.4	7.5x	1.4x	19.8	5.7	7.3	(4.8)	1.0
MAPI	1,035	1,055	1,300	Buy	25.6	16.9	17.2	21.0x	2.9x	14.8	1.0	11.4	14.7	1.0
Property						4.9	457.8							
CTRA	1,015	1,040	1,550	Buy	52.7	(2.4)	18.8	18.6x	1.3x	7.2	1.0	(0.7)	(28.9)	1.7
WSKT	1,440	1,485	2,600	Buy	80.6	(28.4)	19.5	14.1x	1.1x	7.8	5.1	(39.2)	(69.4)	1.6
WIKA	2,080	1,990	2,500	Buy	20.2	12.1	18.7	8.4x	1.2x	15.3	1.9	(12.9)	57.3	1.5
Basic Ind.						10.8	749.5							
SMGR	12,000	12,000	14,300	Buy	19.2	7.1	71.2	31.1x	2.3x	7.5	1.7	31.1	(38.1)	1.4
Misc Ind.						(14.0)	361.8							
ASII	6,775	6,925	8,600	Buy	26.9	(17.4)	274.3	13.4x	1.9x	14.9	3.1	1.2	(7.1)	1.2
Mining						(12.7)	365.8							
TINS	895	825	800	Hold	(10.6)	4.7	6.7	47.2x	1.1x	1.6	2.8	114.6	N/A	1.7
PTBA	2,670	2,660	2,300	Hold	(13.9)	(38.3)	30.8	6.8x	1.7x	26.4	12.7	1.4	(24.9)	1.2
INCO	3,540	3,640	4,200	Buy	18.6	8.3	35.2	440.5x	1.3x	0.3	N/A	(12.6)	N/A	1.5
ANTM	905	840	1,100	Buy	21.5	16.0	21.7	27.0x	1.1x	4.1	1.4	23.0	(11.1)	1.6
Agriculture						(11.1)	87.8							
AALI	13,325	14,575	15,600	Buy	17.1	7.9	25.6	60.2x	1.4x	2.3	1.7	(10.0)	(90.1)	0.7

* Target Price for December 2020

Source: Bloomberg, NHKS Research

INNI Summary

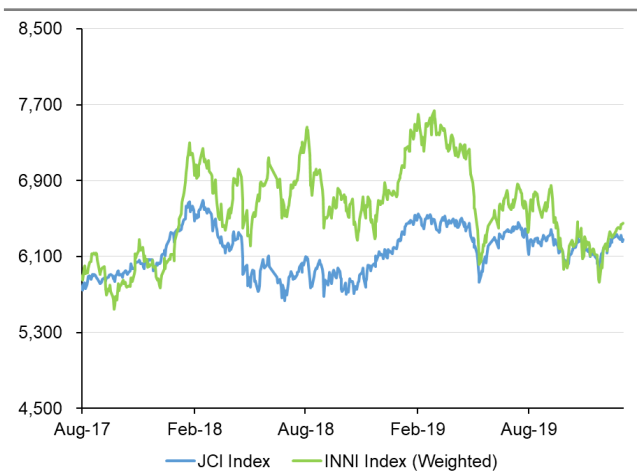
INNI Index Movement

YTD Change	3.8%
YTD Change Gap (vs JCI)	4.7%
Weekly Change	0.3%
Weekly Change Gap (vs JCI)	1.8%

INNI Market Capitalization

Market Cap (IDR tn)	3,464
Market Cap (%)	47.27

INNI Index



Source: Bloomberg, NHKS Research

Date	Country	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Tuesday 07 - Jan	EU	17:00	CPI MoM	Dec	0.80%	0.30%	-0.30%
	USA	20:30	Trade Balance	Nov	\$43.1b	-\$43.7b	-\$47.2b
	USA	22:00	ISM Non-Manufacturing Index	Dec	55.0	54.5	53.9
	USA	22:00	Factory Orders	Nov	-0.70%	-0.70%	0.30%
	USA	22:00	Durable Goods Orders	Nov	-2.10%	-2.00%	-2.00%
Wednesday 08 - Jan	GER	14:00	Factory Orders MoM	Nov	-1.30%	0.20%	-0.40%
	EU	17:00	Consumer Confidence	Dec	-8.1	--	-8.1
	USA	19:00	MBA Mortgage Applications	Jan	13.50%	--	-5.30%
	USA	20:15	ADP Employment Change	Dec	202k	160k	67k
Thursday 09 - Jan	CHN	08:30	PPI YoY	Dec		-0.40%	-1.40%
	CHN	08:30	CPI YoY	Dec		4.70%	4.50%
	GER	14:00	Industrial Production SA MoM	Nov		0.80%	-1.70%
	USA	20:30	Initial Jobless Claims	Jan		220k	222k
Friday 10 - Jan	USA	20:30	Change in Nonfarm Payrolls	Dec		162k	266k
	USA	20:30	Unemployment Rate	Dec		3.50%	3.50%
	USA	22:00	Wholesale Inventories MoM	Nov		0.10%	0.00%

Source: Bloomberg

Domestic Economic Calendar

Date	Hour Jakarta	Event	Period	Actual	Consensus	Previous
Tuesday 07 - Jan	Tentative	Consumer Confidence Index	Dec	126.4	--	124.2
Wednesday 08 - Jan	Tentative	Foreign Reserves	Dec	\$129.18b	--	\$126.63b
	Tentative	Net Foreign Assets IDR	Dec	1759.0t	--	1748.8t

Source: Bloomberg

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